

## BUDGET REVIEW COMMITTEE

JUNE 16, 2011

A meeting of the Budget Review Committee was held Thursday, June 16, 2011 at 7:02 p.m. in the Aldermanic Chamber.

Alderman-at-Large David W. Deane, Chair presided.

Members of Committee present: Alderman-at-Large Mark S. Cookson, Vice Chair  
Alderman-at-Large Lori Wilshire  
Alderman Jeffrey T. Cox  
Alderman Diane Sheehan  
Alderman Mary Ann Melizzi-Golja

Members not in Attendance: Alderman Richard P. Flynn

Also in Attendance: Mayor Donnalee Lozeau  
Alderman-at-Large Brian S. McCarthy  
Alderman-at-Large Ben Clemons

---

### PUBLIC COMMENT

Bob Sherman

I'm President of the Nashua Teachers Union. My hope is that all three of these contracts will be speedily considered and approved by the members of this committee and ultimately the Board of Aldermen, with the Mayor's signature on top of things. Thank you.

### COMMUNICATIONS

From: Roger L. Houston, Planning Director and CIC Secretary  
Re: Capital Improvements Committee's Recommendation on  
Amending the FY 2012 Capital Improvements Budget

**MOTION BY ALDERMAN COX TO ACCEPT AND PLACE ON FILE  
MOTION CARRIED**

UNFINISHED BUSINESS – None

### NEW BUSINESS – RESOLUTIONS

#### **R-11-121**

Endorsers: Mayor Donnalee Lozeau  
Alderman Jeffrey T. Cox  
Alderman-at-Large Ben Clemons  
Alderman Mary Ann Melizzi-Golja  
Alderman Kathy Vitale  
Alderman-at-Large Lori Wilshire

**APPROVING THE COST ITEMS OF A COLLECTIVE BARGAINING AGREEMENT  
BETWEEN THE NASHUA BOARD OF EDUCATION AND THE NASHUA TEACHERS'  
UNION, LOCAL 1044, AFT, AFL-CIO FROM SEPTEMBER 1, 2011 THROUGH AUGUST  
31, 2013**

**MOTION BY ALDERMAN COX TO RECOMMEND FINAL PASSAGE OF R-11-121**

ON THE QUESTION

Chair Deane

Alderman Sheehan, you had spent a lot of time, almost all day yesterday, working on this contract. Do you have something that you would like to present to us or would you like to open the discussion on this?

Alderman Sheehan

I'll start with speaking to it because things didn't go as planned today, so I didn't have a chance to print them out. Basically, I went through the contract and double-checked all the numbers. They are what the analysis says. It was a little bit confusing for me because of just the way the changes were done on Appendix A-5. In the red-lined version one of the things that I didn't clearly understand when doing it, when comparing it to the new pay structure, was that Steps 1, 2, and 3 have actually been eliminated over time since the first contract was written. So, Step 4 actually aligns with Step 1 now. Essentially it is the same adding the \$250. At first I was very confused because I was lining up step to step and that looked like very large raises because it was Step 1 to Step 4. Those are very large raises, but that's not how it works.

If you look at Appendix A-5 on page 42, what they are strictly using now is the credited years of experience versus the step track number. They are not moving up a step. It is essentially just the one going across and adding \$250 to each of the numbers. Then it became very easy to see where it was. It took some figuring out. I've spent quit a bit of time going through it and double-checking the math and just making sure and retouching my spreadsheet skills which have been awhile since I've had to do. So yes, Mr. Donovan was very helpful. I had some questions, and he helped clarify that. I wish I had called him first thing in the morning rather than at the end of the day. I'm very pleased how everything is in it, and I think it is something that will be very good for the city. I'm going to support this.

Chair Deane

In the lines above on base pay calculations, can you go through that Mr. Griffin? Is that \$245,750 carried forward into the total into FY13?

John Griffin

Yes, Line 4 on the FY12 base pay.

Chair Deane

You have your base pay calculations on line 4. On line 5 you have your \$245,750. On lines 6, you have your \$368,625, right?

John Griffin

That's correct.

Chair Deane

And then the projected base pay in 13. So the combination of those two amounts are \$368,625 and the \$122,875 are reflected in that \$57,432,683 figure?

John Griffin

That is correct.

Chair Deane

How is it reflected? Just the \$245,750 is reflected in the \$56,941,183?

John Griffin

That's correct. That is the only amount that is added in the first year.

Mayor Lozeau

I had assumed that one of the sponsors would be able to queue up the meeting tonight and present the resolution and the contract. I wonder if you would allow Mr. Hallowell to just present an overview of the contract before you get into some of the details. It might help to call attention to the different changes in the legislation, if you wouldn't mind.

Chair Deane

What does the committee want to do? Is that what the committee wants to do?

Alderman Wilshire

I would appreciate hearing from the Board of Ed, please.

Alderman Cox

Same.

Chair Deane

Take it away, Mr. Hallowell.

Mr. Hallowell

Thank you, Alderman Deane. Let me preface all three contracts by saying that we were able to gain significant concessions from all three unions all meeting the health care criteria. We appreciate the sacrifices the union members are making in order to make that happen. What I'd like to do is highlight the changes in teachers' contract that represent cost items. There are a number of changes that don't change the cost structure. I can also go through those if you like, but I'd like to start with the cost changes first.

Under salaries, the first time that that ....

Chair Deane

If you could give us the article and the number or do you want to go through the cost analysis?

Mr. Hallowell

I was going to kind of do both. Since I'm looking at the cost items, I thought I'd refer to the cost item and then give you the chapter and number inside the contract so we can follow along.

Chair Deane

That would be great. Thank you.

Mr. Hallowell

The first time you see anything about salary changes is in 4:1, which is on page 6 of the annotated copy, probably also on page 6 of the regular one. Those refer to the salary schedules as Alderman Sheehan was talking about later on in the contract. Essentially, they work out to a base pay increase on the first day of the contract of \$250 per employee, followed by on the last day of the first year so no net cost to the FY12 of \$375 per employee and then finally half way through the year, there's an additional \$250 per employee. That's essentially that cost item change. So there's that and then the appendices which represent the new salary schedules. Do you want me to stop at each of those, Alderman Deane?

Chair Deane

That would be great. Does anyone have any questions in that area?

Alderman Cookson

Thank you. As we look at the cost analysis, and if we refer to line 5 which is your projected base pay increases on September 1, 2011, at \$250 per employee equating to a value of 245.7 thousand dollars and then refer to line 7, projected base pay increases on February 1, 2013, at \$250 per employee, I see a value of 122.8 thousand dollars. What's the difference between those two values? I'm assuming part of it is attrition.

Mr. Hallowell

No. Actually, the \$122,000 is half the cost of the \$250 because we're not implementing that increase until half way through the year. While employees will get \$250 more, they don't get it for the entire year. Therefore it's half plus a little because you've added \$245,750 to the base, but it's very close. Does that answer your question?

Alderman Cookson

So the first base pay increase happens on September 1, 2011.

Mr. Hallowell

Correct.

Alderman Cookson

And that \$250 equates to 245 because why?

Mr. Hallowell

Because it's 983 FTEs times \$250.

Alderman Cookson

Thank you. And, on 8/31/2012, line 6, at \$375 per employee, that equates to 368.6 thousand dollars.

Mr. Hallowell

Yes.

Alderman Cookson

And that is also based on \$375 multiplied by the 983.

Mr. Hallowell

Correct.

Alderman Cookson

So that was in September 1, 2011, August 31, 2012. And then February 1, 2013, at \$250 per employee again at 983 employees?

Mr. Hallowell

Yes, but it is a salary increase. We're not giving a stipend of \$250. It's a salary increase of \$250. By giving it half way through the year, I'm not giving you \$250 each month. I'm only giving you \$250 for six months of the year, so it's half as much as giving it for the whole year.

Alderman Cookson

And this is based on the school calendar or is it the fiscal calendar.

Mr. Hallowell

School calendar. Despite the fact that we pay teachers through the summer, I forget what they call it, but that gets back-filled into the FY. That's one of the reasons why you can't close out the budget. The accrued back to the FY12. You may see the run rate may be different depending whether teachers choose to do it over the 9-month period or the 12-month period, but the impact to FY12 is the same.

Alderman Cookson

I'm not sure why it matters on what day the money is delivered, why you result in half the value.

Mr. Hallowell

\$250 every month for every employee over a 12-month timeframe is \$245,750. If I only pay them \$250 times six months times 983 employees, it is half that much.

Alderman Sheehan

It's \$20 a month.

Chair Deane

Hold on a minute.

Alderman Cookson

Is it \$20 a month or is it \$250 a month as Mr. Hallowell just said.

Mr. Hallowell

I'm increasing your salary by \$250, so whatever fraction that is. Correct, Alderman Sheehan, about \$20 a month.

Alderman Cookson

Alright, thank you. That explains it.

Mr. Hallowell

Sorry. I should have probably explained it that way. If you got to page 10 in the marked-up copy, 5:3, health insurance. You'll see, as I said, we've taken out the named carriers. We're increasing the premiums that are paid. Now the premiums won't start being paid until September 1<sup>st</sup> because the existing contract is still in place until then. You'll see that this language is identical to the language of the other two contracts, or it should be. Co-pay changes as brought forth by the city. The plan changes, which are the deductibles and the changes to co-pays for medical visits, etc., those would essentially be triggered. There's language in here that talks about that on the first section of page 12. Employees will pay those increased co-pays and deductibles before September 1, 2012, if more than half of all city bargaining unit members in the City of Nashua and the Nashua School District have agreed to implement these co-pays and deductibles. It turns out that the teachers' union would represent a majority of the bargaining unit members in the City of Nashua. So this is talking about members, not a majority of the unions, which would be a different number. I think that's eight if we were doing it that way. I think that's correct.

Chair Deane

So you're speaking to the paragraph on page 10?

Mr. Hallowell

On the marked-up copy, it's page 12.

Chair Deane

“In the event of a majority of collective bargaining unit employees”?

Mr. Hallowell

I think maybe the mayor can speak to this. I think there is an implementation issue in terms of when those changes can actually take place during a year where we've already got a contract. At least that's my understanding, but once this contract passed; there wouldn't be a restriction after September 1, 2012, for any of the three bargaining units as to when you could change those co-pays and deductibles.

Chair Deane

Does this contain the same language about the eight?

Mr. Hallowell

No, it does not. The language for the health care had been bargained for the two bargaining units that will follow this. Prior to the teachers union being set, and we felt keeping the language consistent between all three contracts was important particularly given the timeline that we were looking at so there weren't difference that everybody had to look at. So we tried to keep the language, the change, as I say, de facto, by the fact that the union is more than half the bargaining unit members. It means once the teachers union on September 1, 2011, once this contract kicks into place, anytime after that these bargaining units could go to the increased co-pay, if the city chose to.

If I can continue, if you look at line 38 for the insurance benefits, I believe this is the same way that it was presented for the library contract. We tried to keep that consistent as well. You see the employee contributions to medical assumes a ten percent increase in contribution rates in FY12. This number represents September 1, 2011, then triggering, not July 1<sup>st</sup>. Then you see the plan design changes which is a saving of 1.1 million but that isn't shown until FY13 because it isn't clear when exactly. We know it will happen in the next fiscal year, but it isn't clear when it can be implemented prior to that. When we look at the total cost of health insurance, it actually goes down by about \$20,000 to the city because of the premiums that are being paid and the plan design changes which I'm sure you're all familiar with the 10 – 11 percent increases in health care, so that is a huge savings to the city. Are we all set on that, Alderman Deane?

Chair Deane

The total insurance benefits starts at \$13,335,819 drops to \$13,150,000 which is \$185,000 and then in the third year it goes back up.

Mr. Hallowell

Ya, but that increase is due to the dental insurance rates which we're making an assumption. The dental insurance rates this year were zero percent increase. That's probably a five percent increase – three percent increase for the following year. The increase is actually as a result of potential increase in dental premiums which was flat this year. We don't know what it will be, but we assumed three percent.

Chair Deane

That cost could fluctuate, so we're not sure about that.

Mr. Hallowell

It can. The dental insurance rates have not typically gone up huge amounts. Dental isn't like health insurance. It's not skyrocketing each year. It's on the order of, well; zero this year, to say as much as five percent over the years.

Chair Deane

Who's the carrier.

Mr. Hallowell

Delta Dental. I don't know there is another dental insurance. It seems like everybody has them.

Chair Deane

No, there's other carriers. I have Delta and my premiums went up this year.

Mr. Hallowell

The way the teachers union's one works is the teachers union actually has a broker that deals with their dental insurance. They negotiated a zero percent increase for this fiscal year. I think the city was also able to negotiate zero percent.

Alderman Clemons

Is that in the contract as well somewhere? The dental insurance?

Mr. Hallowell

It is, but there's no changes to it.

Alderman Clemons

Is there a named carrier in that?

Mr. Hallowell

No. On page 14 of the marked-up copy, 6:1, sick leave, section (e), this is what we call the sick day buy-back. If you go back to the costing sheet, that is shown on line 17. Some employees can choose to buy-back vacation days at the end of the year. Typically, it hasn't been a lot of members that have done that. It's only been about \$20,000. This past year, the IRS did an audit and due to the quirky nature of our Federal IRS system, they had decided that they needed to tax the benefit even if the teachers didn't choose to take the buy-back. While this number wouldn't have changed, it would have met that we would have had to pass along the tax increase to the employees. We're going to remove that so we don't have that headache. There weren't many members that used it, and it wasn't worth the hassle of trying to restructure it to solve the IRS problem.



Chair Deane

So the sick buy-back is no longer an option.

Mr. Hallowell

Correct.

Chair Deane

Were people using that when their severance totaled out? When they couldn't accrue anymore time, they would start using this sick buy-back to get some – use it or lose it?

Superintendent Conrad

I don't think we saw a specific pattern. It really depended on whether people intended to use their sick leave or not. For those who didn't use it very much, it was often a way to cash in on some of that time.

Mr. Hallowell

As I said, it was very many members that took advantage of it anyway.

The only other cost items changes, again those appendices in the back. But I do want to go back to one. While it is not a cost item before you, I do want to note it because it's been an item that's been problematic over the years. Going back to page 9, 4:9, severance pay, while we used to have a February 15<sup>th</sup> date for a non-binding letter of intent to retire, we have been able to negotiate at February 1<sup>st</sup> binding letter of intent to retire. A teacher could choose to retire after that date, but it would result in the severance being paid like it was a resignation which is about 1/5 value of the severance that would typically be paid out. What this means to the board of aldermen is next year when we come in, we will know the exact – other than the few that might come in afterwards, but at a much reduced rate – for the teachers, we will know pretty much the exact severance cost so we won't be factoring in some number for the following year and trying to estimate how many are going to retire. It doesn't reduce the dollar value, but it does make it much easier to do planning.

Chair Deane

In your matrix of employees that are eligible for retirement, this number didn't change across the two years. Why is that?

Mr. Hallowell

The average \$1.1 million? Is that what you are talking about on the costing sheet?

Chair Deane

If you look at a matrix of your employees and who is eligible.

Mr. Hallowell

The \$1.1 million represents a five-year average of what the cost has been. While there has been years like last year where very few retired, there are years like this year where many do. We've averaged those costs to come up with an average figure.

Chair Deane

Did you go back five years or how far back

Mr. Hallowell

We went back five years, but we used the calculation like it was today. If you go back five years, it would be using the old calculation.

Chair Deane

Did you take the high dollar amount and the low dollar amount out and then find the average on those three years?

Superintendent Conrad

We went back five years and then we also looked at a three-year average. They both came out very similar, about \$20,000 below a million, \$150,000.

Chair Deane

What three years did you use?

Superintendent Conrad

The most recent year going back three years or the most recent year going back five years. We found the averages were very similar.

Chair Deane

The three years that you are talking about, if you took the high year and the low year out.

Superintendent Conrad

And then there was another year.

Chair Deane

But if you took the high and the low out of the five years, are you saying the three years that you went back it equals about the same dollar amount.

Superintendent Conrad

I think there's a couple of factors that affect it. The largest factor that has been affecting it isn't the aging population as much as what's going on in Concord. Two years ago it was \$1.8 million because you had the deadline for the medical subsidy. Since you had so many people retiring that year, this year there were very few retiring. Next year, you have more retiring or at the end of this year because of the changing circumstances up there as well. We're not seeing a pattern right now other than large swings

from year-to-year. If you're looking at the three-year or the five-year average and you're getting similar results that seems to be the best reasonable number we can come up with to think about those liabilities. We were doing this in context of how should we look at our budget for the coming year.

Mr. Hallowell

If I could add, if I take the high and the low, 1.8 is the high, 0.4 is the low. You average those two, it's \$1.1 million. It means that it would make no difference if we removed the high and the low in then average. We'd get the same number.

Chair Deane

That's an item we've got to get out of that contract. It would be very nice to do that. That's just an unbelievable amount of money every year. Please continue.

Mr. Hallowell

That's the extent of the cost items that are in this contract.

Alderman Cookson

Is longevity also a cost item?

Mr. Hallowell

It is, but there has been no changes to longevity. You'll note that in the longevity item, while it goes up, we were asked to project assuming that no one retires. We did that. When you do that, longevity goes up. We suspect that that will not happen since we already know we have 38 employees that are retiring at the top end. Historically that number has actually slightly come down in the past few years.

Alderman Cookson

So even though we see language that's struck through, the actual content has not changed?

Mr. Hallowell

Can you tell me what page you're looking on?

Alderman Cookson

Between page eight and nine on the marked-up copy.

Mr. Hallowell

That's merely reformatting and the previous contract year it changed. No sense keeping that language in there, so we just have the one line now that says here it is at "X " years and here it is at "X" plus five.

Alderman Cookson

Thank you.

Alderman Clemons

I wonder how much it is going to cost, if anyone had an estimate of what it would cost under severance pay, under Article B, the changes that are being made to that? It looks as though if you don't get that binding letter in in time, you're now able to cash in your sick pay at the prevailing per diem? Is that true?

Mr. Hallowell

That's true.

Alderman Clemons

Do you know what, on average, what that..

Mr. Hallowell

It's roughly 1/5 of what they are getting now so it would be about \$7,000. To be conservative here, we suspect that given that they know that they have to put it in by February 1<sup>st</sup> to get a larger severance amount, it is highly unlikely we're going to have many people that put in their letters after February 1<sup>st</sup> if they intend to retire in that year. While we might see some savings ...

Alderman Clemons

But the cost is generally \$7,000.

Mr. Hallowell

If they were to choose to not put in a letter by February 1<sup>st</sup> and then retire in that same year, yes.

Chair Deane

It is my understanding that the superintendent has authority over extenuating circumstances.

Mr. Hallowell

He does.

Chair Deane

So that could change. If somebody..

Mr. Hallowell

It would change, yes.

Alderman Cookson

Do you have an idea on average the amount of sick days that are cashed in upon the retirement?

Mr. Hallowell

They can cash in up to 100, and you're asking...

Alderman Cookson

Typically what's number is cashed in.

Mr. Hallowell

I think if you do an average it turns out to be about 93 to 95 days. There are some people who may be sick so they may not have any sick days left and yet they are going to choose to retire because of their illness. We've had people in the past do that. When I went back and looked when we were negotiating, if you reduce the total amount of severance by "X" percent, how much do you really gain, and that factors into that because you don't have everybody who has a full complement of days, so it's slightly less. Whatever percentage you reduce the severance amount; it's about five percent less than that that you gain back.

Alderman Cookson

Thank you. It's quite a generous total or value of days. 100 days, up to a maximum of 121 days in some instances.

Mr. Hallowell

The 121 days is only paid out at the substitute teacher rate which is \$60 which again is roughly \$7,000.

Alderman Cookson

Thank you, but still, I don't think you'd see many instances where somebody is able to accumulate up to 100 days of sick time or vacation time. It's just absolutely unheard of.

Chair Deane

You all done, Mr. Hallowell?

Mr. Hallowell

I am. I guess the way I'd like to do it is if people have questions on the other items that are not considered cost items, I could ...

Chair Deane

We have no authority over that.

Mr. Hallowell

I understand, but sometimes people ask...

Chair Deane

We don't want the Public Employee Labor Relation Board dragging us up to Concord if complaints are filed.

Mr. Hallowell

My intent, Alderman Deane, was if someone read language that they felt was a cost item that we hadn't captured. That was my point.

Chair Deane

Oh, okay. Has anyone found any language in this contract that they thought was a cost item that wasn't captured?

Alderman Cookson

I just had one additional thought, and goes to the language on the coversheet. I'm curious as to why. I understand that we have a collective bargaining agreement that expires August 31, 2011. If we approve this contract, if it gets through this board and the mayor approves it, is there a reason why the contract wouldn't go into immediate effect rather than waiting until a particular day? If we were to accomplish this before July 1, 2011, why wouldn't that be the beginning of the contract?

Mr. Hallowell

Because you're negotiating a successor agreement to the one that already exists. I suppose we could have tried to bargain that they start on July 1. I suspect that would have been a much tougher negotiation given that they know that they have a contract that's in place until September 1<sup>st</sup>.

Alderman Cookson

Did I hear you say that it was this particular contract that took 14 months of negotiation?

Mr. Hallowell

The initial conversations about the contract started about 14 months ago. We met once to twice a month in the first few months. There may have been a month where we only met once. There was a lot of back and forth. I can tell you there was a lot of things that were discussed that are not in this contract on both sides.

Alderman Cookson

I appreciate that. I know it takes hard work. The number of edits that were made to the contract, 14 months seems like a very, very long time to have this result. But the changes that were made, I understand, took some serious negotiation so I appreciate that. Thank you.

Mr. Hallowell

Let's not lose sight of the fact of the huge dollar amount in health care savings that is represented by very few line changes in this contract.

Alderman Cookson

And you said that was about \$20,000 over two years? What was the figure?

Mr. Hallowell

I'm not sure what you're asking me. Relative to health care?

Alderman Cookson

Ya.

Mr. Hallowell

It's a \$20,000....

Chair Deane

You're saying it's \$3 million? Is that what you're saying?

Mayor Lozeau

Right. Two years.

Chair Deane

It's a \$3 million savings over two years, is what the mayor is saying. That's assuming an 11 percent increase.

Mayor Lozeau

That's based on the contribution increase.

Alderman Cookson

Mr. Hallowell made a statement earlier about that.

Mr. Hallowell

My statement was relative to the actual cost we're projecting for health care expenses on line 41, which is the medical changes. My point was despite the fact that health care is going to go up 11 percent a year, representing more than \$3 million in increases, the cost to the city is going to go down by \$20,000.

Alderman Cookson

That's the number I was looking for.

Chair Deane

Mr. Conrad, what's the plan with the 581-99995 budget adjustment of \$602,807 that's included with this. What's the Board's plan on how they are going to spend that money?

Superintendent Conrad

We haven't had a lot of discussion with the Board on that, but what I would propose to our Board would be that we take some time at the administrative level to bring folks together to look at what kind of proposals we would make to the Board for how to spend those funds. Later in July, we come forward to the Board of Education, through their budget committee process, to make those revisions, to put forward those proposals and see where the Board wants to go with that.

Chair Deane

And you're not using that money for pay raises?

Superintendent Conrad

That's the understanding.

Chair Deane

We have no control over that once it's done. That's up to the Board of Education, but that's the Board of Education's plan, not to use that for pay increases?

Mr. Hallowell

That's correct.

Mayor Lozeau

Mr. Chairman, if I could. Each time that I have worked with the Board of Education and we've made agreements, they have come through. So I every reason to believe that's exactly what will happen.

Chair Deane

It's always nice for us to be able to ask. We weren't part of your meeting.

Mayor Lozeau

I understand that, Alderman Deane. I just thought that I would make the point that that had been agreed to.

Chair Deane

Thank you.

Mr. Hallowell

I just want to add to illustrate what we're looking at in terms of that money, we don't necessarily want to reverse whatever the last \$600,000 was and put it all back in the same place because we'll be back in the same condition we are a year from now because budgets are going to be tight for awhile. So while there may be some staff that are brought back, there also maybe things like, one good example, is the REACH program, which over the years has been slowly cut back. I think one of the things we want to look at is how do we re-constitute a REACH program that potentially leverages outside sources or combines with the DECA program or the First Robotic program as a way to leverage other sources so that it can sustain itself



better than it has. There's one area that we are looking at. I think one other potential area that we'll have to look at is do we use that money to put it into the severance reserve account. A lot of that is going to depend on what we see for next year in terms of issues. Now that reserve account may end up not being a very big account in the future because we will know the dollar cost as we move forward because of that February 1<sup>st</sup> deadline.

Chair Deane

You budgeted \$800,000 this year, and you're projecting \$1.1 million. At that rate, you have how much? Three hundred and some thousand?

Mr. Hallowell

If it was \$1.1 million, yes, we would have \$300,000 left.

Chair Deane

But how much do you have in the...

Mr. Hallowell

\$615,000.

Chair Deane

So you are funding at a rate of about \$300,000 less than what you are projecting in the out years.

Mr. Hallowell

One of the advantages of having a reserve account is that you can factor a number that is a little bit less than the average and use it if you need it as you move forward.

Chair Deane

At \$800,000 a year, you're going to be using \$300,000 out of there. If you projections are close.

Mr. Hallowell

Future budgets this won't matter as much, but in terms of projecting how many staff we thought we were going to retire, as I think I talked about before, we had a list of all the staff that had put in requests back in February. We went through that list and looked for staff that were reasonably young or didn't have large amounts of sick days to cash in and we tried to estimate what we thought we needed for that particular fiscal year. The number we came up with was about \$800,000. The legislative changes that occurred after that caused a significant number of teachers to choose to retire this year rather than waiting. Again, that's the importance of having the February 1<sup>st</sup> hard deadline in the contract so we can budget that exactly next year.

Chair Deane

You're payroll reserve contracts, there's no unaffiliated. None of that reserve is going to be used for unaffiliated?

Mr. Hallowell

No.

Chair Deane

The 18002?

Mr. Hallowell

Nope. That's actually only the operating cost. I think it says it in the legislation that the grants were removed. Grants were removed from that number. It's only the exact amount for the operating budget.

Chair Deane

On that 18002 line?

Mr. Hallowell

Yes, maybe it was somewhere else that I read that.

Chair Deane

It's not in the body of the legislation.

Superintendent Conrad

The difference between what you see in the cost sheet and what you see in that number is what we've pulled out for grants.

Mr. Hallowell

In the fiscal note, Alderman Deane, on page 2, it shows the \$23,000 that's grant related was removed.

Alderman Clemons

Forgive me if I'm going back to this. I just want to understand and get clear an answer. Again, forgive me if it's been previously stated, but what happens to the teacher that submits a binding letter and then decides not to retire? Is that an option or no? Is that not an option because it's a binding letter?

Superintendent Conrad

Typically what would occur is when a binding letter is received; we would place it on the agenda of the next human resources committee meeting of the Board of Education. They would accept that resignation. That essentially means we would not bring them forward for nomination in the next year. It really becomes binding from that standpoint. Now if there was a change in personnel circumstances, occasionally that can

occur. For example, if a spouse dies and the person decides they want to continue working, then I could bring forward a recommendation to the Board of Education. In that instance, they would have to make the final decision because they have to re-nominate any teaching staff.

Alderman Clemons

So it's not like we're going to get a flood of binding letters only to have them be recalled.

Superintendent Conrad

No, we'll make it clear if they submit it, it's going right to the Board for approval for the next year and we would not bring them forward for re-nomination.

Alderman Sheehan

I just wanted to express my appreciation for the plans to involve REACH, DECA and First programs to try to evolve some programs there because I think those are all very strong programs that have great opportunities for children to really learn how to think for themselves and develop some life skills while in school that apply later in life. So, I just wanted to express appreciation for hearing those three.

Mr. Hallowell

I just want to be clear that those are some ideas that are being kicked around. I don't want to speak for the Board; I was just trying to give an example of something we could do that would be different.

Alderman Sheehan

You picked three of my favorites.

Alderman Clemons

I just wanted to say for the record that I really appreciate the hard work that was put in on this by the Board of Education and the Nashua Teachers Union. I think it shows that when you get together and you get together early and you sit down at the table and you actually compromise, good things can happen. It's about having that open dialogue. I think this contract reflects that hard work. I think it also, more importantly, reflects that acknowledgment by the teachers union of the times that we live in. We're unfortunately in a time where people are struggling. We can't keep going back to the taxpayers and saying pay more, pay more. There needs to be some give and take. To that notion, I think the mayor, by bringing forward the companion piece, is going to help out the school because it is recognizing that there was a sacrifice made by the employees. It's giving back to the Board of Education the opportunity to reinvest the savings in the school as a result of this negotiation. All around, this is a win-win for the taxpayers, for the employees and for everyone really in the city. It's not easy to take a pay cut, but I think considering the generosity that this Board gave the Teachers Union in the last contract; I think this was the right thing to do, and I applaud the union for coming forward and making these concessions. Thank you.

**MOTION CARRIED**

**R-11-122**

Endorsers: Mayor Donnalee Lozeau  
Alderman Jeffrey T. Cox  
Alderman-at-Large Ben Clemons  
Alderman Mary Ann Melizzi-Golja  
Alderman Kathy Vitale  
Alderman-at-Large Lori Wilshire

**APPROVING THE COST ITEMS OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE NASHUA BOARD OF EDUCATION AND THE NASHUA TEACHERS' UNION, LOCAL 1044, AFT, AFL-CIO, UNIT D, FOOD SERVICE WORKERS FROM SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2013**

**MOTION BY ALDERMAN COX TO RECOMMEND FINAL PASSAGE**

ON THE QUESTION

Chair Deane

I would like to state that I will not be speaking on this item. My wife works as a lunch lady or food service lady at Bicentennial Elementary School part-time. She works, she gets paid. She doesn't work, she doesn't get paid. She has, I believe, three days off and the holidays. She gets no benefits, and I don't even have any idea how much money she makes an hour.

Mr. Hallowell

As I stated to you before the meeting, Alderman Deane, I downloaded off the web today what I believe is what you probably have before you. There was an issue with the second to the last version of this is the one you have sitting in front of you contains the changes for the previous contract including this one. Mr. Conrad has copies of just the marked-up. The cleaned-up version is correct, but the marked-up language, unfortunately, had been carried over from version of word to another.

Superintendent Conrad

The differences in life insurance and dental insurance. The copy you have appear to show there were changes in those areas with this contract. In fact, that's not the case. That language stayed the same. We just happened to pick up the tracked changes from the last negotiations. This shows life and dental as clean sections without any revisions. It doesn't change the costing.

Chair Deane

I believe a motion may be in order to amend R-11-122 by replacing it with the copy that was brought over by the Nashua School District this evening. Alderman Sheehan, would you like to make that motion?

**MOTION BY ALDERMAN SHEEHAN TO AMEND R-11-122 IN ITS ENTIRETY BY REPLACING IT WITH THE RED-LINED VERSION PROVIDED TO THE COMMITTEE BY THE SUPERINTENDENT OF SCHOOLS**

**MOTION CARRIED WITH ONE ABSTENTION**

Chairman Deane abstained.

Mr. Hallowell

Would you like me to go through the cost items for this contract, Alderman Deane?

Chair Deane

Is that the pleasure of the committee? They committee says yes.

Mr. Hallowell

Again, you will see the same health care language which we will get to in a minute. Going up to Line 2 in the costing sheet, you'll see that there is a half percent salary increase in each of the fiscal years. In this particular contract, the steps don't occur every year. They are a very small dollar amount so those were kept in the contract. You'll see those on Line 6, the projected step increases. They are \$877 and \$681. The effective increase in salary is .57 and .55 over the two years.

On page 10 of the new version of the marked-up copy, you can see the basic wage schedule change. There are appendices like there are in the teachers contract that impact those. Looking at line 13, longevity, there was no change to longevity language. This is like the teachers contract. We are projecting that no one is leaving and so there are some longevity increases that come over the two years if no one leaves. On page 11, while it isn't a cost item that is shown, 42-1, callback pay, there is a change there that could have an impact. Quite frankly, the administration believes its very rarely used and would not represent a significant, if any, cost to the city.

Alderman Clemons

Just clarifying that the last statement that you made, Mr. Hallowell, was with regard to the mileage at the IRS rate?

Mr. Hallowell

Correct. Going to page 14, health insurance, I believe that language is identical to the language we just talked about in the teacher's contract. In 7:8, on page 21, there's a discussion there of the joint council and how employees will receive an hourly rate of pay for attendance at these meetings. The council no longer meets so there no impact to the district in that cost change. That's all the cost items that I have in that contract. The appendices obviously change at the back of the book.

Alderman Cookson

On that last point, the joint council, is that something that might be convened in the future at any point in time? Is that why it is left in the contract?

Superintendent Conrad

Yes, it certainly could be. When it did meet, it was only on a quarterly basis. It might meet three to four times a year with three to four employees. It would be a minimal impact even if it did begin meeting again.

Alderman Cookson

It was more important to leave it in in the instance that it might happen versus striking the language completely?

Superintendent Conrad

I think when you get into negotiations, anytime you start proposing striking language from a contract it can become a long conversation. Given the importance of moving the negotiations along, I think both sides felt it was better to just leave it in place.

Alderman Cookson

It is identified in Article 2, definitions, when it talks about a probationary period for new hires being 90 full calendar days versus work days. I'm curious what cost that has associated because after they complete a probationary period, it identifies them as being transferred or promoted to another position. Is there a cost associated with completing a probationary period, and when it's assumed to be a calendar day versus a work day, you're going to expedite the 90 days? It's no longer going to be three months. Well actually, it's going to be three months instead of something that was longer than that initially with 90 working days.

Superintendent Conrad

I think the only potential cost difference might be probationary employees do not receive holiday pay. If the probationary period ends sooner and happens to coincide with one of the three holidays, it could be a potential cost impact. But it would be very difficult to try to determine what that might be because it really depends upon the date that individuals are hired. Beyond that, I don't believe there is any real cost impact.

Alderman Cookson

Do you have any openings? Are you doing hires in the food service area continually or is your work force pretty much stable?

Superintendent Conrad

These days, it's pretty stable given the economy. You tend to get more hires certainly at the beginning of the year because people may retire or decide to leave at the end of the year. There is some turnover over the course of the year, but most of that would come at the beginning of the year.

Alderman Melizzi-Golja

Just a follow up on that, is the 90 calendar days more consistent or less consistent with what other school districts are doing? Do you know?

Superintendent Conrad

I can't speak specifically to other school districts, but typically when I've seen probationary periods in contracts and even non-affiliated policy, you see it in terms of calendar years.

Alderman Melizzi-Golja

That's been my experience as well.

Superintendent Conrad

So, I think it's more consistent.

Mr. Hallowell

I just wanted to add, because I meant to say it at the beginning, an important distinction of the food service program is that it is a self-sustaining fund. The two sources of funding are the federal government for low-income students, free and reduced lunch reimbursement, and then the cost of the actual lunch. That funds this entire program. They pay for their own benefits and their own staff. In addition have their own capital reserve fund for replacing equipment that they need. You go back five years or further when this wasn't a self-sustaining fund, and it was not as well run, I believe. It has become much more efficient with them knowing exactly what their boundaries are. Jeannette Kimball does a fantastic job with running that program.

Alderman Sheehan

I think that Alderman Cookson thinks that there is a 30-day after the 90 day, but I think the 30 day is if it is a current employee who gets a promotion.

Superintendent Conrad

Yes, that's correct.

Alderman Sheehan

My experience has also that it is calendar days when you have a probationary employee. It would be too hard to figure otherwise what somebody's date was without manually going through a calendar. It's just pretty standard to do calendar.

Chair Deane

I'm going to call the roll.

Yea: Alderman Cox, Alderman Sheehan, Alderman Wilshire, Alderman Cookson, Alderman Melizzi-Golja	5
---	---

Nay:	0
------	---

Chairman Deane abstained.

**MOTION CARRIED TO RECOMMEND FINAL PASSAGE AS AMENDED**

**R-11-123**

Endorsers: Mayor Donnalee Lozeau  
Alderman Jeffrey T. Cox  
Alderman-at-Large Ben Clemons  
Alderman Mary Ann Melizzi-Golja  
Alderman Kathy Vitale  
Alderman-at-Large Lori Wilshire

**APPROVING THE COST ITEMS OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE NASHUA BOARD OF EDUCATION AND THE NASHUA TEACHERS' UNION, LOCAL 1044, AFT, AFL-CIO, UNIT C, SECRETARIES FROM JULY 1, 2011 THROUGH JUNE 30, 2013**

**MOTION BY ALDERMAN COX TO RECOMMEND FINAL PASSAGE**

ON THE QUESTION

Mr. Hallowell

You'll see that while the dollar amounts on these salary increases are pretty similar throughout each of the contracts, in order to get the negotiation done, there were slight variations on a theme, if you will. In this particular contract, the last day of negotiations lasted in excess of 14 hours. I believe the Board of Ed had sort of a tag team effort there though Mr. Sherman was a trooper through the entire thing.

It was important to them. They have, again, sort of a five-year step schedule. It was important to the membership that they maintain that five-year step schedule. There's always a concern when you don't do steps that people come in later and they can be put on the scale. The steps in this contract are very small. The way we structured the piece was to do a .25 percent increase in FY12 and in FY13. Then we implemented the steps by putting them in on the last day. Sorry, I'm looking at the wrong number. The steps were implemented on the last day of the first year of the contract and on the last day of the second year of the contract. The impact there is that in the first year of the contract, you see that the only increase in salary is the .25 percent that we added to the salary schedule. In FY13, you then pay the steps plus the .25 percent increase. That's why that number is \$15,415. Steps are every five years. Then again, this step schedule would kick in at the end of the second year of the contract, but then you're negotiating a new contract to follow. So the impact for FY12 and FY13 for the salary increases is laid out here. You can see overall that's .25 and .57 percent, so very nominal increase.

Chair Deane

You're operating budget calls for in your 11162 line for 81 FTEs. This is factored at 86. Why are there five more people?

Superintendent Conrad

There are some part-time secretaries, so you'd have to add the part-time secretaries. I don't have the budget in front of me, but I believe there's another commodity code for part-time secretaries. There maybe one or two on grants. I think there's a full-time secretary on the 21<sup>st</sup> Century program, for example, which would be grant funded.

Chair Deane

School secretary, part-time, 6.32. If that's part-time, that's factored as full-time in here as FTE's. Is that what you are saying?



Superintendent Conrad

It should be.

Chair Deane

A part-time position isn't entitled

Superintendent Conrad

Right. That's why I'm saying it should have been factored into the total FTEs. In this case, if there's a discrepancy, it should impact the costing because the costing was done as a percentage of the base salary not based on the FTEs as it was in the teachers contract.

Chair Deane

You had \$330,819 approved for FY11 and now it's down to \$171,858.

Mr. Hallowell

In what line item, Alderman Deane?

Chair Deane

12126, part-time payroll. \$330,819 for 6.32 people in a part-time position?

Superintendent Conrad

I do know there were some positions consolidated into full time positions which might be why that went down.

Chair Deane

Still, if you divide six into \$330,000.

Superintendent Conrad

I have to tell you there were some instances where I'm finding the FTEs in this book are off from what's actually in place. For example, I think it was a supervisor line is showing one FTE and in fact there are two people in that account. I would trust the dollar amount more. If there seems to be a discrepancy, I would trust the dollar amount over the FTEs, but I would have to investigate that.

Mayor Lozeau

Mr. Chairman, if I could. It's just hard to track that in our current system.

Superintendent Conrad

It's impossible. We're tracking it manually for 1900 staff. It's one thing if you're a department of 150 people, but when you have 1900. That's always been the difficulty. Of course that will change with the ERP, thank goodness. I'm sorry I can't give you a more specific answer than that.

Chair Deane

Then how do you come to a 86 calculation. How many full time secretaries are there? Your budget book shows 81 for this year. Your calculation and analysis show 86. Then you've got 6.32 part-time. That number went from \$330,819 down to \$171,858. How many secretaries are there? Does anybody know?

Mr. Hallowell

I don't know off the top of my head, Alderman Deane.

Superintendent Conrad

If you add the 6.32 to the 81, that's 87.32. So it's a difference between 87 and 86, 87.32, so we may be off one and a third position somewhere in our count,

Chair Deane

That's fine, but if you look at what was budgeted last year for 6.32 positions at \$330,000 for part-time secretaries, something seems to be terribly wrong there.

Superintendent Conrad

But if you also go to the school secretary line, you see an increase from \$2,559,000 to \$2,684,000.

Chair Deane

What line is that?

Superintendent Conrad

The full time secretaries, 11162. I think the point I was making is that we consolidated some part-time positions into full time positions. So you're just seeing a shift in the dollars between commodity codes. I think that's all that is. We're showing a count of 87.3 in total for secretaries in the budget book versus 86 on the costing sheet here. We may be off a position. It should change the cost impact because that was a percentage of the base as opposed to being related to the FTEs.

Chair Deane

If we took the total dollar amount of 11162, that's 2.684 million. Then you'd have to take this other dollar amount over here of \$171,858 and add those two together. Right?

Superintendent Conrad

Right. I don't have a calculator with me.

Chair Deane

Mr. Griffin, do you have a calculator? Can you figure that out for us real quick?

Mr. Hallowell

\$2,855,000

Chair Deane

Now these calculations are done – If you went back into the FY11 total, and took the \$338,819 and the 11162...

Superintendent Conrad

It's not that far apart. It's basically you're going down approximately 150 on the part time and you're going up approximately 150 on the...

Chair Deane

I'm totaling the whole thing because they are all covered under the agreement. Those total dollar amounts are for secretarial positions, right? The 11162 line?

Superintendent Conrad

\$2,559,000

Chair Deane

\$2,559,518 and add \$330,219 is that the \$2,855,000 number?

Mr. Hallowell

Ya, that's \$2,939,000

Chair Deane

When we started this costing for this fiscal year, the costing was started at \$300,000 less at \$2.68 million.

Mr. Hallowell

No. You have to use the total number. You're going from roughly \$2.9 million to \$2.85 million in the following year.

Chair Deane

I'm looking at FY11. If I take the FY11 numbers for the positions that were funded, the total dollar amount is off. By how much? Two hundred and ninety something thousand.

Mr. Hallowell

No, it's not.

Mayor Lozeau

No, it's not.

Chair Deane

Excuse me.

Mr. Hallowell

I'm just saying, Alderman Deane.

Chair Deane

I'm just looking at the numbers. If you add the \$2,559,000 and then you turn over to FY11 and add the \$330,819 together, right. When I look at the general fund base pay for 2011, it should equal that number and you have \$2,689,000. The number of those two commodity codes add up to \$2.9 million. What am I missing?

Superintendent Conrad

It seems to be off about \$150,000, I guess, in the base.

Chair Deane

So these calculations are off by \$150,000 for the analysis? Where did this 2.689 million figure come from?

Superintendent Conrad

I believe it was generated by Mr. Donovan. There's a difference of about \$150,000, and sorry I can't explain the discrepancy whether he pulled it from different sources or what that may be. Perhaps based on a projected spending level, I'm not sure.

Chair Deane

What are we going to do for the calculations now as we go out through the rest of the analysis? It's going to change it considerably, right? You came up with a \$150,000 difference.

Superintendent Conrad

It wouldn't change other calculations because there aren't other changes other than health insurance which would be based on a different kind of set of data. The impact would be limited to the quarter percent on \$150,000.

Mr. Griffin

That would \$375. \$150,000 times .0025 would be \$375 that would be added if you went in that direction. It's just a question of adjusting the first number which is the base and then running that through the calculation.

Chair Deane

That's just the obligation that increases the payroll. If the payroll increases by \$150,000, right? That's the out year obligation.

Superintendent Conrad

But I think the point that's being made is because there's such a small change in salary, the difference in what is being projected is less than \$400.

Chair Deane

Less than \$400 time the total number of FTEs?

Superintendent Conrad

No, FTEs don't factor into this because it is a percent on the base. The teachers were based on FTEs. This contract is based on the base salary.

Chair Deane

Number of employees in analysis: 86.

Superintendent Conrad

Right.

Mayor Lozeau

Mr. Chairman, maybe it's helpful if Mr. Griffin walks through how the calculation was done. It might clear it up a little bit.

Chair Deane

I would like to know the accurate total dollar amount between the \$2,689,065. If you added \$2,559,518 and \$330,819 together, what's that total dollar amount?

Mayor Lozeau

\$2,890,337.

Chair Deane

Then we subtract \$2,689,065. What's that number.

Mr. Griffin

I have \$201,272.

Chair Deane

Where did the \$150,000 come from?

Superintendent Conrad

That was an estimate so the difference, I guess, is the \$201,000.

Chair Deane

Okay. \$201,272.

Mayor Lozeau

Mr. Chairman. Superintendent, when you look at the school secretary part-time line, on page 186 of the budget, in Fiscal 11, you were carrying \$338,019 but in Fiscal 12, you're carrying \$171,858. My understanding was that's because positions changed.

Superintendent Conrad

Correct.

Mayor Lozeau

So it wouldn't make sense that they would have made the calculation on the \$330,000.

Superintendent Conrad

I think you have to look at the total between the full and part-time secretaries. I think the issue is we're off by \$200,000. The impact of that is a difference of about \$500 in the projection. Next year, for example.

Mayor Lozeau

Perhaps Mr. Griffin can walk through what's in this formula for the total. Is it correct to assume that the only difference is \$500?

Mr. Griffin

That's correct. If we change the first number on line five on the Fiscal 11 base, and add the \$201,272 to that number and ran it through the calculation, there would be an additional \$500 cost.

Chair Deane

So my base calculation would increase by \$500 for each number going across. That's what you're saying. I'm going to add \$500 to the bottom line?

Mr. Griffin

You'd add \$500 to the \$6,723. I believe it would be approximately \$500 in the following year as well.

Chair Deane

What was the total number of FTEs. I can go back and look at that.

Superintendent Conrad

The total number in the budget book was 87.3 versus the 86 we're showing here. But again, the take off is based on the dollar amount not the FTEs. The FTEs is just informational here.

Chair Deane

So in the teachers contract we used how many teachers? 773.27?

Superintendent Conrad

983, I believe. But in that instance we created the cost projection based on the FTEs times either \$250 or \$375 because it was a flat sum for teacher. Here it was a percent increase in the base. So the FTE is just informational.

Mr. Hallowell

If you move down to additional hours, Superintendent Conrad might have to help me on this one.

Chair Deane

That's item 12?

Mr. Hallowell

Item 12, correct.

Superintendent Conrad

It's putting into writing our current practice and assuring that it falls within requirements of the IRS basically for compensation time.

Chair Deane

Can you explain the additional hours? Where can we find that contract language?

Mr. Hallowell

In 4.2

Superintendent Conrad

The additional hours, that's not related to 4.2. The additional hours is just what we budget for overtime within our total budget for secretarial overtime. It's a budget number based on what we feel we have available for secretarial overtime. It's based on their hourly rate.

Chair Deane

Do you concur?

Mr. Hallowell

Yes, sorry. I was just trying to remember the discussion around why that number went up, and that went up because we're anticipating that we're going to use that service more, not because there was an actual language change. We tried to show that increase even though it's not a direct result of the contract.

Chair Deane

You're going to use more overtime in the future?

Superintendent Conrad

I think that's the concern. It's really budgeted through all of the individual schools. It maybe based on looking on where their costs are now on their individual lines. This probably comprises 20 – 30 lines for that sum. It's really comes about based on how each individual manager or principal is budgeting within their budget. If somebody ran over last year, they might have put in more money into that line for this year. I don't think it necessarily reflects a sense that everybody is going to be working more overtime next year as much as it is just the changes up and down that tend to come when you have a lot of different people within an allocation,

Chair Deane

Then item 13, the longevity.

Mr. Hallowell

The longevity is the same as the other two longevitys. This is assuming that no one is leaving, and therefore, every year there might be additional people. We went through each individual secretary to see who would trigger longevity and that is the number you see there.

Chair Deane

That's your assumption or projection?

Mr. Hallowell

Correct, but it's not a result of a language change within the contract.

Health care is identical to the other two contracts that you've already seen. And that's all I have for cost items.

**MOTION CARRIED**



TABLED IN COMMITTEE

**R-10-66**

Endorser: Alderman Diane Sheehan

**RELATIVE TO THE TRANSFER OF \$92,000 FROM ACCOUNT 591-86005  
“FY2011 GENERAL CONTINGENCY” INTO ACCOUNT 577-11 “CODE  
ENFORCEMENT, PAYROLL – FULL TIME”**

- Tabled 1/10/11

**MOTION BY ALDERMAN COX TO TAKE FROM THE TABLE R-11-114**

**MOTION CARRIED**

**R-11-114**

Endorser: Mayor Donnalee Lozeau

**RELATIVE TO THE ADOPTION OF FISCAL YEAR 2012 PROPOSED BUDGET FOR  
THE CITY OF NASHUA GENERAL, ENTERPRISE, AND SPECIAL REVENUE FUNDS**

- Public Hearing scheduled for 6/13/11 at 7:00 p.m. at NHS-North Auditorium
- Tabled 5/23/11

**MOTION BY ALDERMAN SHEEHAN TO RECOMMEND R-11-114**

**MOTION BY ALDERMAN WILSHIRE TO REDUCE THE BOTTOM LINE ON PAGE 135 BY  
\$20,000**

ON THE QUESTION

Chair Deane

Motion to reduce Dept. 545 by \$20,000

Alderman Wilshire

I'd just like to say that based on what we discussed last night about this account, there's \$1.2 million in there. To date, we've spent \$620,000. It's like double what we've used in this account. I think another \$20,000 is a reduction I can live with.

Alderman Sheehan

Would that put us back to pretty much a level budget, like \$1,000 under what it originally was?

Mr. Griffin

It would reduce the original budget by \$1,035. The \$20,000 additional reduction more than offsets the (inaudible) that was developed last night of \$18,965.

**MOTION CARRIED**

Alderman Clemons

Yesterday evening how much was added? I believe I heard through the grapevine because I didn't see it that some money was added to the police budget. Is that true?

Chair Deane

\$318,000

Alderman Wilshire

\$319,055, approximately.

Alderman Clemons

While I understand and I recognize what the committee did last night and I definitely think that the police department needs that additional money, I still think that there are other areas in this budget, particularly the fire department, that also need more funding as well. While I'm not a member of the budget committee, I would strongly suggest that additional monies be added to the fire department budget as well. I have a grave concern as to the coverage that is going to be able to be given to the city if the fire department budget is maintained where it is. Now I know that it was discussed that if it ends up being through the middle of the year when you're looking at when the chief looks at the burn rate and has to make a determination as to whether or not we need to close a company down or something like that, that he will address that concern to both the fire commission and the board of aldermen. However, I don't want to see us in that situation where we have to basically bail out a department in order to keep coverage for one of the services that this city should be providing to its citizens and providing to its citizens the best that we can.

So with that being said, if there is nothing that is going to be added to that, I find myself unable to support the budget.

Chair Deane

Alderman Clemons, I'll tell you what I'm going to do for you. If you would like to make a motion, you can gladly make it through me. If you would like to make any motions to add or remove, let's have them. This is what committees are all about. All I would respectfully request, Mr. Conrad, Mr. Hallowell, you're dismissed. Go home and watch the Bruins.

Alderman Wilshire

Thank you both.

Alderman Clemons

Wrong night.

Mr. Hallowell

I just wanted to thank the committee for its expedite nature. I know we put you under the gun here, but I think the contracts deserve fast turnaround so we appreciate the expedite nature with which the committee was able to go over the contracts. I think the city will be better off for having them in place.

Chair Deane

Back to Alderman Clemons.

Alderman Clemons

I will happily yield the floor.

Alderman Wilshire

Well since you're letting them go, I would like to thank the Board of Education and the superintendent for the hard work they did. I appreciate all these contracts the way they came in. I know there were sacrifices made by the school departments, its employees, but I think they are good contracts. So thank you very much for all the hard work.

Alderman Cookson

Just very briefly echo those remarks and thank everyone involved. I know it's tough time, but the last contract they asked us to make this a more competitive district, and I think we did that. This time we asked them to step up and make some sacrifices, and they did. Thank you to everyone. They're great contracts including the library. I don't want to not include the library for stepping up first and coming in and doing the same. Thank you very much to everyone.

Chair Deane

Alderman Clemons.

Alderman Clemons

Through you, Chairman, I would make a motion to add to Dept. 532, \$160,000 in the bottom line.

Chair Deane

The attrition number that I think you raised concerns about was \$318,500 for a total of 72 days. So you want to put half of that back?

Alderman Clemons gestured in the affirmative.

Chair Deane

We've got to use a five-digit here to add it.

Alderman Clemons

I suppose we could add it back to just change the attrition amount.

Chair Deane

So you want amend the attrition amount from \$318,500 to ...

Alderman Clemons

I would change the attrition amount to a negative amount, -\$158,500. Essentially that would add back to the \$160,000. I believe that achieves that. I would just ask Mr. Griffin if that's true.

Mr. Griffin

That's correct. That would essentially add that money in.

Alderman Clemons

So that would also adjust the bottom line of that department?

Mr. Griffin

Yes it would.

Chair Deane

Mr. Griffin can do that. He'll need to adjust it.

**MOTION BY ALDERMAN CLEMONS THROUGH ALDERMAN DEANE TO CHANGE THE ATTRITION AMOUNT IN DEPARTMENT 532 TO -\$158,500**

ON THE QUESTION

Alderman Cox

Is that addition through subtraction? Are you looking to take any money from any certain account and could we recommend something from last evening?

Chair Deane

You're asking another area to offset the \$160,000 within the operating budget?

Alderman Cox

Correct, Mr. Chairman.

Alderman Clemons

I don't have any suggestions. I think we're running a pretty tight ship. When the chief came in and presented the budget, he mentioned the number of areas where they were going to attempt to achieve that \$318,000 attrition amount. Based on what he presented to us, I'm fairly confident that he can reach at least half that, not so much the other half. Given the chief the benefit of the doubt that he can reach at least half of that and the city kicking in the other half up front, I think is a smart move. I think that it will give a lot more flexibility as far as what the department can do when it comes to payroll, keeping companies open, making sure our response time is correct. Essentially, while it does increase the budget, it doesn't increase the budget dramatically. We're already asking folks to take a tax increase. It's what this budget does. It asks the citizens to pay more money for less services. In my opinion if we add this money back as I propose this evening, we're asking people to pay more money and keep the same level of service that you are getting now for \$160,000. I think that's a pretty good deal. I don't think it's too much to ask. Do I see anywhere else in the budget that we could cut? No, I don't.

Chair Deane

So that takes the proposed 72 days possible and makes it 36 days.

Alderman Cox

I agree with Alderman Deane in his discovery on the welfare department last night. In the effort to maintain a level funded budget and not just add to it, I would recommend and I see the room there to take the money from that account and fund the line that you are trying to fund in the fire department.

Alderman Clemons

What are we at with the welfare as it's been cut right now?

Chair Deane

Last night it was reduced by \$300,000. Today is another \$20,000. It's department 545. That can be found on page 135. We've taken a total of \$320,000 from that so far. For your information, we got the burn from Mr. Mack. They had spent a little over \$600,000 to date out of the \$1,272,500 that we funded last year. That number is \$1,245,563 and we took \$320,000. Mr. Griffin, what are we left with in that line?

Mr. Griffin

We're left with \$925,563.

Alderman Cox

And through the end of May, we had expended \$600,000.

Alderman Clemons

I am concerned about the fact that they are making some pretty drastic changes to the way that certain needs are given out in Concord. I think that we're going to see an increase when it comes to folks going to our welfare department for assistance. Times are still tough out there. With the changes that are happening in Concord, they are putting more burden on the cities and towns to take care of some of these problems. We're leaving \$925,000 in there. How much is in the reserve account that we have?

Chair Deane

\$355,896.

Alderman Clemons

How does that reserve account get funded generally?

Chair Deane

It's a transfer from us.

Alderman Clemons

Have we funded it in recent years?

Chair Deane

We haven't had to really. We had this discussion last night. In 2005, we created before the Mayor was here; we created all these expendable trust funds like for snow, welfare, pensions. There's a few more, and we put some money aside. I don't know what the equations were used and percentages to hold in those accounts, but we had some significant issues and the board decided back then that that was a good thing to do and we had something to fall back on in case there was some catastrophic financial issues. That's how I remember.

Alderman Clemons

I will yield to the mayor.

Mayor Lozeau

Just for consideration, in addition to that trust fund that is there, as you saw tonight with the school contract and with the library contract, those concessions have allowed funds to go back to those department. Fire is approximately \$140,000 that could go back to that department. I would suggest that there's an opportunity here to let that happen rather than adding to the budget and to let them participate in that change. That's what many of the other departments are looking at and considering right now. I think it's about the same amount that you're looking at moving. I think there's an opportunity there beside the trust fund that can back it up. I would just ask that committee to consider that.

Alderman Clemons

I recognize the fact that through that legislation there is an opportunity for the employees to add back money to that whatever department or area. In this case it would be the fire department budget, but I thought it wasn't supposed to be used for payroll costs.

Mayor Lozeau

It can be used for payroll. It just can't be used for pay increases, pay raises in the negotiation. Somebody can't say if I concede all of this, I want more of a pay increase. I didn't want it to be used as a negotiation tool for raises. To use it in payroll or other resources within their department is perfectly acceptable, bring back positions, that sort of thing, is all perfectly acceptable.

Alderman Clemons

The other problem that I have is we don't have a contract before us, and we have the budget before us. We have an opportunity to move money into that department. What if we don't get a contract from them? What if it doesn't come? I don't know. I'm not involved in the negotiations. This is my concern. I don't like cutting from the welfare budget. I don't because it is taking away from the neediest of our citizens and I don't agree with doing that in general. That being said, I will go along with Alderman Cox's suggestion knowing that there is an opportunity to use a trust fund and knowing that we have money in general contingency right now. I guess I will go along with that. I guess I will amend my motion, if I could.

Chair Deane

Before you continue, I don't want the work that was done last night pertaining to the reduction in the welfare office to be taken as we're taking away from the neediest because that wasn't the case. When you look back at FY10, we budgeted \$1,272,500. We had \$414,657 left at the end of the year. We currently have \$634,000 or 50 percent of what was budgeted at the end of the year. So, people's needs are still being met. I don't think it was the intent of the committee last night to reduce the welfare budget that would end up having a net effect on those who go over and qualify and partake in that department. I just wanted you to understand because I had asked for those numbers prior.

Alderman Clemons

Mr. Chair, I respect that, and I understand that. My point goes back to what I am worried about up in Concord and the ramifications that we could have an increase this year, and I don't know what that would equal out to be. I just want to make sure that we have enough resources in there to cover whatever those increases may be. Hearing the discussion this evening, reluctantly I will agree to that. I think we have enough resources. So, I'll leave my motion, and then if I could, through you, Mr. Chair, leave the motion and then we'll go back to the welfare.

Chair Deane

So your motion through me is to amend line 11997 to read \$158,500, negative.

Alderman Clemons

Yes.

Alderman Sheehan

I was going to touch on the part that it hadn't been used. I think that has already been covered as far as that point, but the point that I did want to put for consideration is there is some negotiation leverage perhaps with the dollar amount of \$140,000 but that's still added with \$160,000, they are still \$18,000 short. We're not saying to fix the whole thing. In fact, it's a very obvious key right there. I think as a ward that would be most likely impacted by that happening, I think this is a good fit because with welfare being the way it is, we can see a trend early in the year and then address that if we needed to with contingency and the reserve fund. I am very nervous if we have another dry summer like we've had and we've had some very large fires in French Hill before, and there are some very remote areas more so from that engine and a little bit of time makes a big difference. I think giving half keeps it consistent with what was done with the Police Department. I think there's some fairness in the equity there, and I think it does not go into the amount that would be in the supplementary piece. I hadn't considered this last night, and as you know last night, I mentioned the fact that it did both me that that was in there with that attrition amount. I agree to support it and would like to take it further and amend it with the next step for the funding source because I don't want to increase taxes but I do want to keep the level of services. We are increasing taxes so it is a double-edge sword.

Alderman Wilshire

If we did reduce it by the \$158,500 that Alderman Clemons is looking to add, was that your amount? No, \$160,000.

Alderman Clemons

It's reducing it \$160,000.

Alderman Wilshire

With that said, we'd still be at over \$1.1 million available for welfare costs between the \$767,000 and the \$355,000 in the reserve. It's still \$1.1 million, and we've spent \$620,000 to date so I'm comfortable with that move.

Chair Deane

Motion on the floor on by Alderman Clemons, through yours truly, is to amend line 11997 to read negative \$158,500.

**MOTION CARRIED TO AMEND LINE 11997 TO READ -\$158,500**

Chair Deane

That motion carries, 4 – 2. Alderman Clemons, would you like to take advantage of your opportunity here?

Alderman Clemons

I would and I certainly appreciate it, Alderman Deane. I would, through you, move to reduce the welfare line, the bottom line, by \$160,000

**MOTION BY ALDERMAN CLEMONS, THROUGH CHAIRMAN DEANE, TO REDUCE BOTTOM LINE OF DEPARTMENT 545 BY \$160,000**

ON THE QUESTION

Alderman Wilshire

That would leave a balance of \$765,563. Like I said the reserve account, which we don't want to have to tap into, but it seems to me based on the burn rate for this year, we would be in line next year with the same, given what might happen or might not happen at the state level. I'm going to support this.

**MOTION CARRIED**

Chair Deane

That motions carries 4 – 2 as well. Are there any other motions? Are you working feverishly over there at a number? Are there any other motions? Alderman Clemons.

Alderman Clemons

No, I just want to say I'm happy to say with these proposed changes I can support this budget. I didn't think that I would be able to. I want to commend the committee for looking into the welfare budget and really seeing a way. We still have \$1 million to work with in that budget. We still have general contingency. Looking at the history of that and adding that back into the police and fire budgets in addition to what the mayor has proposed if those unions were to come forward with the same concessions that we saw this



evening, this is a budget that I can support because I believe that it provides the level of service that Nashua has come to expect and, quite frankly, makes it one of the best places to live in the United States. I think this was a good move. The committee sold me on it. Alderman Cox sold me on it tonight. Alderman Wilshire. Thank you. If it comes out to be this way at the full Board, I can support it. If it doesn't then I can't.

Alderman Wilshire

I agree with Alderman Clemons. When we are asking our residents, our citizens to pay more for less, I would have had a hard time supporting this budget. I think as the budget sits, I'm going to support it. Thank you.

Chair Deane

Do you have the dollar amount.

Mr. Griffin

Yes.

**MOTION BY ALDERMAN DEANE TO AMEND IN THE BODY OF RESOLUTION R-11-114 THE NUMBER \$227,212,971 TO \$227,211,936 AND TO FURTHER AMEND, PURSUANT TO NRO 5-145(E); ACCUMULATED SUM OF THE APPROPRIATIONS OF FY12 COMBINED MUNICIPAL BUDGET FROM "\$241,997,006" TO READ "\$241,995,971" AND THE FY12 DOLLAR AMOUNT UNDER THE LIMIT ESTABLISHED BY CITY CHARTER 56-c SHALL READ "\$979,704"**  
**MOTION CARRIED**

**MOTION BY ALDERMAN COOKSON TO TABLE R-11-114**  
**MOTION FAILED**

**MOTION BY ALDERMAN COX TO RECOMMEND FINAL PASSAGE OF R-11-114 AS AMENDED**

ON THE QUESTION

Alderman Cookson

With all due respect, last evening we made a point that we were waiting to receive some information from the school department so that we could look at that, and while we received it, we received it late. I'm not sure about any of you, I certainly haven't had the opportunity to look at it, and I would respectfully request that we table this so that we can take a look at and reflect upon it, and then address that with the school department's budget that they presented. I'm not going to support the motion to recommend final passage at this point, until we have the opportunity to fully vet the information that was presented to us late this afternoon.

Chairman Deane

I have a copy of this. I haven't seen e-mail. I was told by Mr. Conrad it was sent to us, but I haven't seen...

Alderman Cox

Correct.

Alderman Cookson

I saw it come across, but I haven't had the chance to review it, and it is quite a lot...

Chairman Deane

I'm just saying that is a hard copy of whatever was in the e-mail.

Alderman Cookson

Thank you. There is quite a bit of information here and it certainly isn't something that can be glossed over. I can't accept this at this point. I think it is just ill-conceived that we move this forward at this point when we have time before the next Board of Aldermen meeting.

Chairman Deane

Okay.

Alderman Sheehan

Thank you. I think that I am fairly comfortable. There is some information in there that is more that I want to know. I have gotten a good feel, and I think that between now and the full board meeting gives us plenty of time to review and vet, and formulate any questions. I think there is plenty of time between now and the board meeting, but I didn't see anything in the information that was asked for that would be a non-starter, that would kill the process. I'm going to support moving this forward.

Alderman Clemons

Mr. Chair, is there going to be an other Budget Committee meeting before the next Board of Aldermen meeting to discuss other issues such as the merit plan that this could be added to?

Chairman Deane

I haven't spoken with Sue, but I plan on doing that.

Alderman Clemons

So potentially then this could be tabled, Alderman Cookson could review and everyone else could review that, this, the merit plan could be put on the agenda some time next week, and then this could be moved forward. Is that a potential?

Chairman Deane

That is a possibility, but I want to deal with the motion that is on the floor right now.

Alderman Cookson

Thank you. I know that we don't have short memories. We had a wonderful discussion last night, we spoke about this, we talked about the days that were available to us next week as an opportunity, we were waiting to get information. The information was to be provided on Friday. We happened to receive it late

this afternoon. We spoke about it last night and everybody was in agreement to table it at that point so that we could review the information. I'm not sure what has changed between last night and this evening.

Chairman Deane

The motion on the floor is to recommend final passage of R-11-114 as amended.

Alderman Clemons

Without knowing if there is going to be another meeting next week I would suggest that the committee move it forward. You can have it under a general discussion topic if there is an opportunity to meet next week.

Chairman Deane

Thank you. Is there any other discussion on the motion?

*A Viva Voce Roll Call was taken, which resulted as follows:*

Yea: Alderman Melizzi-Golja, Alderman Cox, Alderman Sheehan, Alderman Wilshire  
4

Nay: Alderman Deane, Alderman Cookson  
2

**MOTION CARRIED**

Chairman Deane

Is there anything else the committee would like to take from the table?

**R-11-115**

Endorsers: Mayor Donnalee Lozeau  
Alderman-at-Large Brian S. McCarthy  
Alderman Kathryn D. Vitale  
Alderman Richard LaRose  
Alderman Arthur T. Craffey, Jr.  
Alderman Mary Ann Melizzi-Golja  
Alderman Jeffrey T. Cox

**AGREEMENT TO TRANSFER FUNDS BACK TO DEPARTMENTS BASED  
ON HEALTH CARE CONCESSIONS**

- Tabled 5/23/11

**O-10-23**

Endorser: Alderman-at-Large Barbara Pressly  
**ESTABLISHING AN OMBUDSMAN FOR THE CITY OF NASHUA AND AUTHORIZING  
THE TRANSFER OF \$60,000 FROM ACCOUNT 591-86005 "FY2011 GENERAL  
CONTINGENCY" INTO ACCOUNT 501-53 "MAYOR'S OFFICE – PROFESSIONAL  
SERVICES"**

- Tabled 8/5/10
- Also assigned to the Personnel/Administrative Affairs Committee; Tabled 8/12/10

GENERAL DISCUSSION

Alderman Wilshire

I would like to just go over what Alderman Clemons brought up about the merit plans. They have been sitting out there for a while and I would like to know when we plan to take those up.

Chairman Deane

Like I said earlier, I'm going to speak with Ms. Lovering and look for a date.

Alderman McCarthy

Mr. Chairman next Thursday is open and can be scheduled right now.

Chairman Deane

Okay. Any other general discussion?

Alderman Cookson

Thank you. I just wanted to thank Mr. Poulin's A.P. History class this afternoon for putting on a great presentation. Every single year they invite us to go over to Nashua High School South and partake in the A.P. U.S. History Class, their presentation whether it be the Mayor's, the Board of Aldermen's, they did Maine and Concord Streets today. They have an online museum. They do fabulous work, and really appreciate the efforts of Ms. Poulin and her students. Thank you.

Alderman McCarthy

Do you intend to schedule a meeting for next Thursday?

Chairman Deane

When I speak with Ms. Lovering okay, I don't need to be taking direction okay?

Alderman McCarthy

You do actually, and as Ex-Officio Chair of this committee I will schedule the meeting if you don't want to do it. We can do it right now, your members have asked you to do it, and I'm asking you to concede that to them.

Chairman Deane

Thank you. Any other general discussion?

Alderman Wilshire

I would like to know if we are going to have a meeting next Thursday. I would request that we do, and take up the merit plans at that time.

Chairman Deane

Okay. Any other general discussion?

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN - None

ADJOURNMENT

**MOTION BY ALDERMAN COX TO ADJOURN**

**MOTION CARRIED**

***Division Taken***

The meeting was declared closed at 9:12 p.m.

Alderman-at-Large David W. Deane  
Chairman, Budget Review Committee